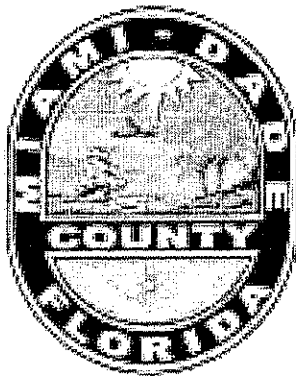


# **Miami Dade County**

Stephen P. Clark Government Center  
111 N.W. 1st Street  
Miami, Fl. 33128



## **LEGISLATIVE ANALYSIS**

## **SUPPLEMENTAL INFORMATION**

Tuesday, July 27, 2004  
9:30 AM  
Commission Chambers

**Board of County Commissioners**

July 27, 2004

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

RESOLUTION SETTING THE PROPOSED FY 2004-05 MILLAGE AND SPECIAL  
ASSESSMENT RATES AND SETTING THE DATE, TIME AND LOCATION OF THE  
PUBLIC BUDGET HEARINGS

Office of Strategic Business Management (OSBM)

SUMMARY

This resolution:

1) Sets the proposed FY03-04 millage rates as follows:

<u>Taxing Unit</u>	<u>FY04-05 Proposed Millage Rate</u>
Countywide	5.969 (same as in current year)
Countywide Debt	0.285 (same as in current year)
Fire Rescue	2.592 (0.010 mills higher than current year)
Fire Rescue Debt	0.069 (0.010 mills lower than current year)
Library	0.486 (same as in current year)
UMSA	<u>2.447</u> (same as in current year)
Total	11.848 (same as in current year)

Notes:

- The Manager's proposed FY04-05 operating budget, based on the above total millage, is \$3.92 billion (a 5.1% increase over the current year's operating budget). The proposed FY04-05 capital budget is \$2.29 billion (a 3.3% increase from the current year's capital budget of \$2.21 billion).
- The 0.105 mills allocated for the second payment to the Countywide Emergency Contingency Reserve is \$13.2 million. The projected balance by Sept. 2005, assuming no funds are utilized by then, is \$24.5 million.
- Estimated tax roll growth for FY04-05 is 13.4%, the highest in over 20 years. The fiscal impact on residential homestead property owners in Miami-Dade County is 1.9% (the growth in the Consumer Price Index) under the Save Our Homes amendment.

2) Sets the dates for the budget hearings as follows:

1. Tuesday, Sept. 7, 2004 in Commission Chambers at 5:01 p.m.
2. Monday, Sept. 20, 2004 in Commission Chambers at 5:01 p.m.

COMMENTS & QUESTIONS

The millages approved by the Board on July 27, 2004 will be the maximum millages that can be adopted for the final budget, unless all affected property owners are notified by mail. Millages can be lowered at the budget hearings, but at the second budget hearing, the rates *cannot* be increased above those adopted at the first budget hearing.

- In his Budget Message, the Manager urges the Board to consider a slight increase in the UMSA millage rate to phase in selected service improvements. Each tenth of a mill is equivalent to \$4.737 million.

Assuming the General Obligation Bond Program, or any portion thereof, does not pass, there would be additional capacity to keep the total millage rate the same while providing additional service improvements to the citizens, or to reduce the Countywide Debt millage by the corresponding amount.

## LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

*RESOLUTION AUTHORIZING EXECUTION OF A SUPPLEMENTAL AGREEMENT WITH THE SUPERLATIVE GROUP, INC., TO OBTAIN CONSULTING SERVICES IN CONNECTION WITH THE COUNTY'S SPONSORSHIP PROGRAM, AUTHORIZING THE COUNTY MANAGER TO EXECUTE AN AGREEMENT FOR AND ON BEHALF OF MIAMI-DADE COUNTY AND TO EXERCISE ANY CANCELLATION AND RENEWAL PROVISIONS AND TO EXERCISE ALL OTHER RIGHTS CONTAINED THEREIN CONTRACT NO. 271 S.A. NO. 2*

Procurement Management Department

### I. SUMMARY

This resolution authorizes execution of Supplemental Agreement No. 2 to Contract No. 271 *Corporate Sponsorship Program* with The Superlative Group to provide consulting services in the negotiation of naming rights for the South Miami-Dade Cultural Center.

### II. PRESENT SITUATION

The County awarded a consultant services contract in June 2001 to The Superlative Group to develop a corporate sponsorship program and policies for same. The contract provided an option for The Superlative Group to assist in developing solicitations and participating in negotiations if a sponsorship program was pursued.

At the time the first supplemental agreement was approved, it was reported that:

- Commissions for this type of agreement typically range from 10 to 35%.
- For comparable agreements to the County's, The Superlative Group reported that they were receiving commissions from 8% to 40% under a graduated scale.

The Office of Strategic Business Management indicates that they have done market research and a 10% commission rate, as proposed under this Second Supplemental Agreement, is "reasonable" and "at the low end of the commission market range."

### III. POLICY CHANGE AND IMPLICATION

The Superlative Group would provide specialized expertise and resources not currently available in-house in securing naming rights for the South Miami-Dade Cultural Center, which is scheduled to be under construction during 2004. As part of the services to be provided, they will assist in the development of a marketing approach, as well as assist in the evaluation of potential sponsors and in contract negotiations.

### IV. ECONOMIC IMPACT

For this Agreement, The Superlative Group would be compensated as follows:

- 1) A monthly retainer of \$5,000 for each of 12 months, with the option (at the County's discretion) to extend for an additional 12 months. Retainer payments would cease once there is a signed sponsorship agreement; and
- 2) A ten percent (10%) commission rate on the *total value* of an executed naming rights contract; and

**BCC ITEM 7(O)(1)(A)**

**July 27, 2004**

- 3) Reimbursement of out-of-pocket expenses not to exceed \$15,000 for the life of this Agreement. Expenses could include travel costs and travel-related expenses, which would be reimbursed at amounts pursuant to state statute. Any expenses incurred in any extended term will be determined and agreed to by the County.

Out-of-pocket expenses reimbursement will come from an allocation remaining under Contract No. 271. The funding source of the retainer payments (\$60,000 for a 12 month period) is coming from the Department of Cultural Affairs capital budget for this project.

**V. COMMENTS AND QUESTIONS**

Naming rights is just one way municipalities are turning to as an alternative form of raising revenues without raising taxes, thus providing new funding for programs and services that cities and counties can provide to their residents.

The Superlative Group is based in Cleveland, OH. It is anticipated that one to two Superlative executives may make one monthly visit to Miami-Dade County for work on this project. According to their biographies and the company's website, Superlative executives have brokered naming rights to many large municipalities and corporations (see attached). While the compensation terms (10% of the total value of the naming rights contract) encourages the consultant to get the best deal it can for the County, it is important to partner with an appropriate sponsor, even if it does not yield the greatest return.

A general timeline is included in the Supplemental Agreement.

Additional information provided by staff:

Have any corporations already expressed interest?

*Although the project has not yet been marketed to corporations and individuals (this is one of Superlative's tasks under this proposed agreement), the project already is attracting interest given the quality of its design (by Arquitectonica). For example, we are working with by a glass manufacturer who approached us with a proposal to donate all of the glazing for the building.*

How will the Board remain informed about the status of this work and be aware of potential/interested sponsors?

*Any proposal for naming the South Miami-Dade Cultural Center must come back to the Board of County Commissioners for approval. In addition, the Department of Cultural Affairs will manage the work under this contract and Superlative is required to provide monthly written reports on progress. The Department can report to the Board and/or to its Committee(s) on progress, as often as is desired. The cultivation of sponsors is sensitive work and it is recommended that individual briefings with interested Commissioners also be considered so that there is adequate opportunity for staff to develop firm prospects.*

**BCC ITEM 7(O)(1)(A)**

**July 27, 2004**

Has the potential value of the naming rights been identified?

*Superlative and the Department of Cultural Affairs have worked together on a preliminary assessment for the value of these naming rights. This was done under the earlier Phase 1 of the Superlative agreement (i.e., "Evaluation of County Assets"). Superlative provided national comparables for theater naming rights agreements, ranging from annual commitments (for a defined term) in the hundreds of thousands of dollars to one time gifts in the millions of dollars. Locally, we have looked at gifts in the \$2 million to \$5 million range for facilities of comparable scope and quality (e.g., FIU's Wertheim Performing Arts Center and new facilities on the University of Miami campus).*

As the contract is written, there is no cap on what the Consultant can make on commission or how long they can receive commissions.

*This is correct and based on a survey by Procurement; this was determined to be standard practice in form and in the mid-range in percentage for the industry.*

**LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT**

*RESOLUTION RELATING TO THE EFFECTIVE DATE OF CONTRACTS; WAIVING  
THE PROVISIONS OF RESOLUTION NO. R-377-04 FOR RESOLUTIONS ADOPTED  
AT THE LAST MEETING IN JULY*

Commissioner Jose "Pepe" Diaz

**I. SUMMARY**

This resolution waives the provisions of R-377-04 for contracts approved at the last meeting in July. Thus, these contracts would be effective 10 days after adoption (to allow for Mayoral veto), rather than when the motion to reconsider expires (the next Board meeting).

**II. PRESENT SITUATION**

Currently, pursuant to R-377-04, the effective date of contracts is after a motion to reconsider has elapsed (at the next Board meeting, generally two weeks or 14 days). Because there are unforeseen circumstances that may delay a BCC meeting for a prolonged period of time, this resolution set a maximum of sixty (60) days after adoption of the resolution. Thus, contracts would be effective after the next BCC meeting (14 days after adoption, in general) or 60 days, whichever comes first.

**III. POLICY CHANGE AND IMPLICATION**

If this resolution is not adopted, the contracts approved at this meeting would be delayed for approx. 45 days due to the summer recess.

**IV. ECONOMIC IMPACT**

In certain cases, the delaying of a contract may not be in the best interest of the County (for example, better pricing terms that will be in effect or greater revenue potential).

**V. COMMENTS AND QUESTIONS**

Pursuant to R-377-04, the County Manager may recommend a waiver for a specific contract, when deemed to be in the best interest of the County.